1982 Annual Report

PUBLIC UTILITIES BOARD

of the Northwest Territories

Public Utilities Board
Annual Report

For the year ending
December 31, 1982

John H. Parker
Commissioner
Government of the Northwest Territories
Yellowknife, N.W.T.

Sir:

The undersigned takes pleasure in submitting the Annual Report of the Northwest Territories Public Utilities Board for the calendar year ending December 31, 1982.

Respectfully submitted,

Richard Nerysoo
Minister for Energy

The Honourable Richard Nerysoo
Minister for Energy

Sir:

I have the honour to present the report of the activities of the Northwest Territories Public Utilities Board for the calendar year ending December 31, 1982.

Respectfully submitted,

Jack Heath
Chairman
Public Utilities Board

Organization of the Board

The Board

Chairman	Jack Heath (Inuvik)
Vice-Chairman	(vacant)
Member	Beulah Phillpot (Yellowknife)

Board Staff

Executive Secretary	Dale S. Thomson
Regulatory Clerk	Sylvia J. Turner
Senior Legal Counsel — Energy, Department of Justice & Public Services	Jeffrey G. Gilmour
Consultant	Stephen Johnson Chartered Accountants — W. G. Stephen

Office Location

Courthouse,
Yellowknife, N.W.T.

Mailing Address

Public Utilities Board
P.O. Box 697
Yellowknife, N.W.T.
X1A 2N5
Telephone (403) 873-7495
Telex 034-45531

Table of Contents

	PAGE
Summary of Decision — 1982	1
The Board	3
Regulated Utilities	3
1982 In Summary	4
Pamphlet — Your Public Utilities Board	5
A Look Ahead — 1983	8

Public Utilities Board Decisions In Summary — 1982

Decision 1-82 May 21, 1982

Proposed	Ordered
I.C.G. Utilities (Plains-Western) Ltd. applied to renew the Franchise Agreement between I.C.G. and the City of Yellowknife for the supply and distribution of electric power to the City of Yellowknife for a further period of ten years to end September 1991. Franchise tax requested was 3% of Annual Gross Revenue.	Approved, with conditions; tax to be indicated on each customer's bill by August 31, 1982; calculation of franchise tax based on Annual Gross Revenues shall be: 4% on first $2,000,000.00 3% on second $2,000,000.00 and 2% on the remainder.

Decision 2-82 May 31, 1982

Proposed	Ordered
N.C.P.C. to change rates, tolls and charges furnished by N.C.P.C. to its customers in the N.W.T., effective with April, 1982 billing cycle.	The low water surcharges to Snare/Yellowknife system customers to be clearly shown on all bills; rates to be adjusted to show cost reductions of $1,491,500.00.

Decision 3-82 May 21, 1982

Proposed	Ordered
N.C.P.C. applied to place a "Special Levy" on I.C.G. Utilities (Plains-Western) Ltd. from April, 1982 to April, 1983 on all consumption.	Levy of .681¢ per kwh on all sales to I.C.G. from April 1982 to April 1983; penalty and interest charges $153,830.26 denied.

Decision 4-82 August 31, 1982

Proposed	Ordered
N.C.P.C. revised rate proposals in accordance with Decision 2-82.	Approved.

Decision 5-82 August 31, 1982

Proposed	Ordered
I.C.G. changes in rates, tolls and charges as a result of rate changes levied on them by N.C.P.C.	Approved

Decision 6-82 September 20, 1982

Proposed	Ordered
N.C.P.C. applied to discontinue the low water surcharge on the Snare/Yellowknife system.	Approved on an interim basis. N.C.P.C. to provide all relevant data and calculations to support proposal.

Decision 7-82 October 6, 1982

Proposed	Ordered
I.C.G. applied for a reduction in rates as per application by N.C.P.C. to discontinue low water surcharge.	Approved on an interim basis. I.C.G. to provide all relevant data and calculations to support proposal.

Decision 8-82 December 13, 1982

Proposed	Ordered
I.C.G. proposal to comply with Public Utilities Board Decision 5-82.	Complies with Board decision.

Decision 9-82 December 30, 1982

Proposed	Ordered
N.C.P.C. compliance with Board Decision 6-82 providing all relevant data and calculations supporting removal of low water surcharge.	Approved that low water surcharge be removed.

Decision 10-82 Dec. 30, 1982

Proposed	Ordered
City of Yellowknife recovery of intervenor costs as a result of a franchise renewal by I.C.G. and two separate proposals by N.C.P.C.	Intervenor costs of $3,900.00 to be paid for Rate Hearing and Special Levy proposals by N.C.P.C., but no costs allowed on franchise renewal by I.C.G.

Decision 11-82 December 30, 1982

Proposed	Ordered
I.C.G. changes in existing rates reflecting changes by N.C.P.C. and franchise tax rate to City of Yellowknife.	Approved that rates should increase to reflect N.C.P.C. fuel clause adjustment and to collect City's franchise tax and decrease to reflect removal of low water surcharge as indicated in Decision 7-82.

All Board Orders are filed in the Supreme Court of the Northwest Territories.

Copies available on request to the Executive Secretary, Public Utilities Board, Box 697, Yellowknife, N.W.T. X1A 2N5 (403) 873-7495.

The Board

The Public Utilities Board is empowered pursuant to Territorial Legislation (Public Utilities Ordinance, 1974, Chapter P-17).

All public utilities and gas utilities as defined in the Ordinance, are subject to Board regulation. In deciding rates and assessing complaints the Board is obliged to conduct itself in accordance with the principles of fairness and natural justice such as:

1. Members must be impartial and without a personal or financial interest in the outcome of Board decisions;

2. Only those Board members who hear all the evidence and arguments may participate in rendering a decision;

3. Board members have a duty to act in good faith and listen fairly to all parties, and to ensure each party has ample opportunity to correct or contradict any relevant statement prejudicial to his point of view;

4. All parties before the Board have equal status;

5. Board members must not enter private discussion on matters before the Board with interested parties, either formally or informally;

6. The Board has a duty to decide matters for which it has an exclusive mandate on the basis of the evidence it receives from all parties and its own judgement.

   It must operate outside the political arena, although it may take government policy and evidence into account. This Board welcomes the appearance of the Government of the Northwest Territories at its hearings.

Regulated Utilities

Presently the Board regulates three utilities:

Alberta Power Limited
Head Office: Edmonton, Alberta

I.C.G. Utilities (Plains-Western) Ltd.
Head Office: Leduc, Alberta

Northern Canada Power Commission
Head Office: Edmonton, Alberta

1982 In Summary

In February, 1982, the Board suffered the loss of its senior member, Mr. Gordon R. Carter who had been chairman since his appointment in 1977. Mr. Carter's contribution through the years can be judged in part by the high regard in which this Board is held, not only throughout the N.W.T., but throughout Canada.

A major project completed this year was a pamphlet called *"Your Public Utilities Board"* (copy attached). It was the Board's intention to outline as simply and briefly as possible the process through which any concerned consumer can become involved in public hearings. We hope that the distribution of this pamphlet throughout the N.W.T. will provide a more widespread understanding of the importance of the regulatory process and, over time, increase public participation. Copies are available upon request.

A second major undertaking has been the compilation of Rules of Practice. This document, which will be gazetted early in 1983, will make it possible for the Board and all who come before it — both utilities and intervenors — to work more efficiently and effectively.

Several major studies required the Board's consideration and response:

Ernst & Whinney Report, *"Analysis of Factors that Should be Considered in Developing a Rate Rationalization Process for the Northwest Territories, Northern Canada Power Commission"*. January 1982.

Deloitte, Haskins & Sells, *"Study on the Possible Expansion of the Public Utilities Board of the Northwest Territories"*. March, 1982.

Discussion paper on the British Columbia Utilities Commission Act 1980. Resource Development Policy for the Government of the Northwest Territories. April 1982.

The Chairman, Counsel and Executive Secretary attended the Annual meeting of the Canadian Association of Members of Public Utilities Tribunals (CAMPUT) and, once again, found the program and personal contacts educational and encouraging. Changing economic, technical and social factors affecting the industries and consequently the regulation process are identified and analyzed in a forum that brings together theorists and specialists as well as those who must make viable decisions on behalf of consumers. The N.W.T. - P.U.B. looks forward to becoming a contributor of papers in the near future.

Your Public Utilities Board

The following is a pamphlet issued by the Public Utilities Board in 1982 in response to the Legislative Assembly's request to increase public awareness about the Board.

Your Public Utilities Board

Information

Public utilities are subject to regulation to ensure that they operate efficiently and in the public interest.

The Public Utilities Board of the Northwest Territories (PUB) was established by an Ordinance of the Legislative Assembly and is responsible through the Minister of Energy and Resource Development to the Assembly. It consists of three members and a staff of two.

Extensive consumer participation is required if the PUB is to make equitable and effective decisions. All consumers are encouraged to make their views known about utility rates and levels of service through public hearings. Public notice of hearings is provided in local newspapers, radio and television.

At present, there are no regulated gas utilities in the NWT. Electricity is supplied and/or distributed by the following utilities:

Alberta Power Limited
Head Office — Edmonton, Alberta

I.C.G. (Plains-Western) Limited
Head Office — Leduc, Alberta

Northern Canada Power Commission (NCPC)
Head Office — Edmonton, Alberta

Before the Hearing

The application

A rate review usually begins when a utility files with the PUB an application of submission for a rate change. This material contains information which allows the PUB and the public to review the utility's financial position before a public hearing is called.

At the same time, the utility advises its customers of its application with a general notice to mayors, town councils and its major customers. Anyone interested can request the information from the utility company or the PUB.

Who can take part in a hearing?

All customers of the utility, whether they are individuals or large companies, are invited to participate in the public hearings. Those persons taking part in the hearing are called intervenors. They may have lawyers to speak for them, but this is not necessary.

How to intervene at the hearing

Send a letter to the Board saying that you intend to make a presentation at the hearing. This must be sent within the time specified in the public notice. You must also send a copy of your submission to the utility concerned.

You may intervene at the hearing itself, or send your presentation in writing to the PUB. Your submission or notice should provide details about your reasons for supporting or opposing the utility's application. Be specific and relate to the application before the PUB.

The Secretary of the PUB will confirm when you are to present your intervention before the Board.

The utility usually gives its evidence first. It is the utility's task to prove that it requires the rate changes. Intervenors then may ask questions of the utility and present their own submissions.

A transcript (written record) is made of the hearing and copies can be purchased through the PUB.

Interim rate changes

If a utility believes that a change in its costs of doing business will cause it financial difficulties, it can apply for an interim rate change. These interim applications may or may not require public hearings. When interim rate changes are granted, they are subject to review at a later hearing.

After The Hearing

The decision

After hearing all the evidence, the PUB may turn down the rate change requested, grant part of it, or approve the entire request. The PUB's decision and its reasons are then filed in a formal order with the Supreme Court of the N.W.T.

Rate changes go into effect in accordance with the PUB Order. Everyone taking part in the hearing receives a copy of this Order and these are available to the public on request.

Challenging the decision

The Board's decisions may be challenged:

- interested persons or groups can request a review within 10 days of the making of the order, where no public hearing has been held, or
- an appeal upon a question of law may be made to the Supreme Court of the NWT within two months of the day the decision or order was served.

For more information about the Public Utilities Board and its role, contact:
Executive Secretary, Public Utilities Board, P.O. Box 697, Yellowknife, N.W.T., X1A 2N5, Phone (403) 873-7495 Telex: 034-45528

Utilities in the N.W.T. apply to the Public Utilities Board (PUB) for rate changes. The PUB then holds public hearings to give consumers the chance to make their views known about the utility company and its rate structure.

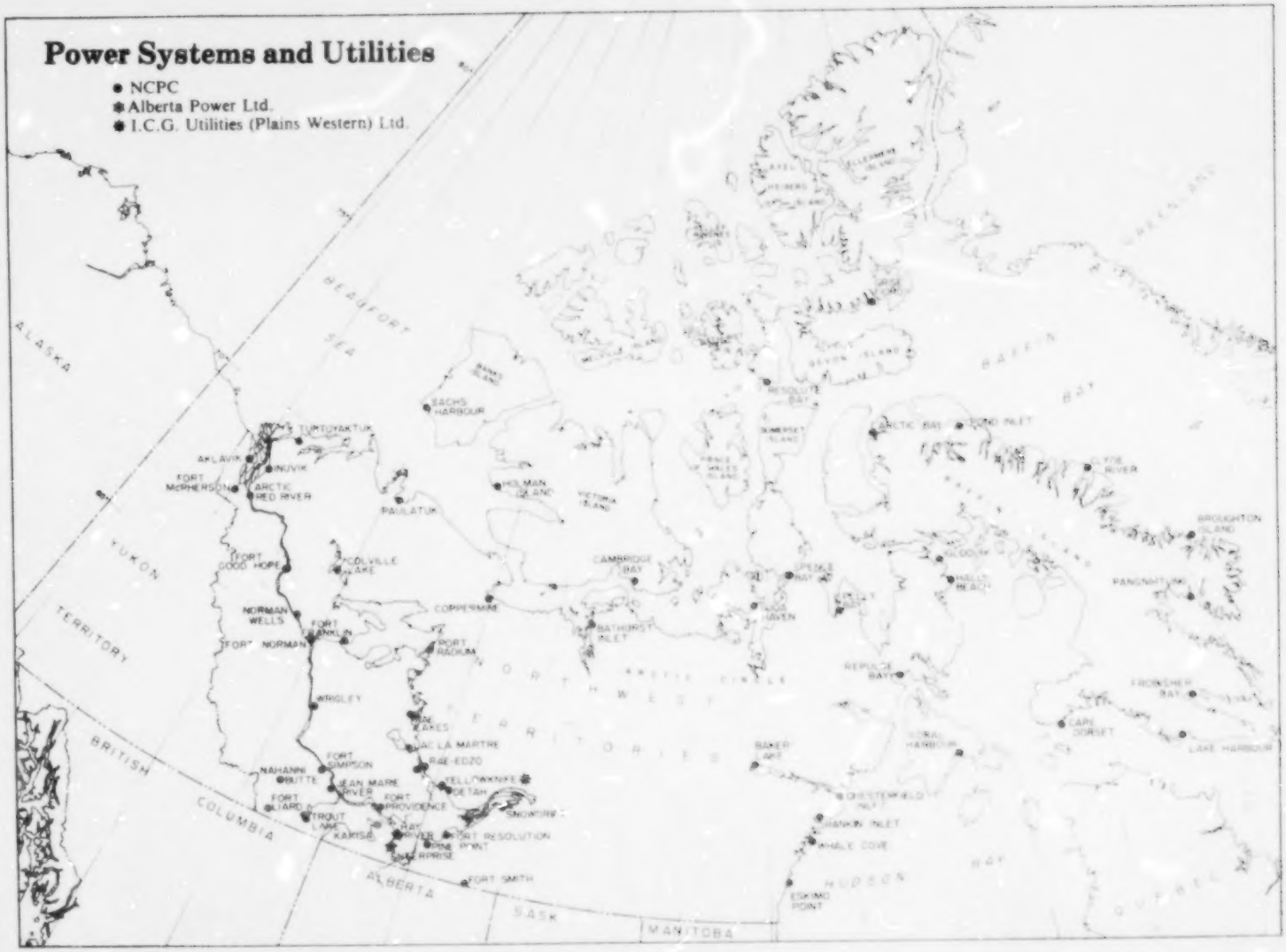
Authorized by
The Honourable Richard Nerysoo
Minister of Energy
1982

A Look Ahead — 1983

The Board looks forward to the wider representation that will be made possible if the proposed expansion to five members takes place.

Having noted an increased interest in discussions regarding the viability of natural gas and natural gas liquid supply and distribution to some N.W.T. communities, as well as other alternate energy supply systems (nuclear, small hydro, wind), the Board anticipates new and challenging questions to come before it.

Ongoing discussions regarding the short and long term energy requirements for the consumers of the N.W.T., and a clarification of the role of the Board, if any, in assessing projects prior to their implementation is also anticipated in 1983.


Power Systems and Utilities
• NCPC
• Alberta Power Ltd.
• I.C.G. Utilities (Plains Western) Ltd.
ALASKA
BEAUFORT SEA
YUKON TERRITORY
BRITISH COLUMBIA
ALBERTA
SASK
MANITOBA
NORTHWEST TERRITORIES
BAFFIN BAY
HUDSON BAY
TUKTOYAKTUK
AKLAVIK
INUVIK
FORT McPHERSON
ARCTIC RED RIVER
PAULATUK
SACHS HARBOUR
HOLMAN ISLAND
VICTORIA ISLAND
RESOLUTE BAY
ARCTIC BAY
POND INLET
CAMBRIDGE BAY
SPENCE BAY
GJOA HAVEN
TAKTOYAKTUK
FORT GOOD HOPE
COLVILLE LAKE
NORMAN WELLS
FORT NORMAN
FORT FRANKLIN
COPPERMINE
BATHURST INLET
PORT RADIUM
WRIGLEY
FORT SIMPSON
NAHANNI BUTTE
WRIGLEY LAKES
LAC LA MARTRE
RAE-EDZO
WHATI
JEAN MARIE RIVER
FORT PROVIDENCE
YELLOWKNIFE
DETAH
SNOWDRIFT
FORT LIARD
TROUT LAKE
KAKISA
FORT RESOLUTION
HAY RIVER
FORT SMITH
REPULSE BAY
BAKER LAKE
CHESTERFIELD INLET
RANKIN INLET
WHALE COVE
ESKIMO POINT
IQALUIT
FROBISHER BAY
LAKE HARBOUR
CAPE DORSET
PANGNIRTUNG
BROUGHTON ISLAND
CLYDE RIVER
MALLY HEAD